

Panel on Transport

Meeting on 26 May 2006

List of follow-up actions

At the regular panel meeting on 26 May 2006, members examined the proposed steps for the legislative exercise for the rail merger. In the course of discussion, members requested the Administration to take the following actions:

- (a) to provide a comparison of the existing best practices adopted by the MTR Corporation Limited and the Kowloon-Canton Railway Corporation (KCRC) respectively in the areas of service performance and customer service pledges, maintenance standards and service improvements, and fare concessions and promotion programmes;
- (b) notwithstanding that there would be fare reduction on Day One of the rail merger, members were concerned that given the time required for dealing with the merger exercise, railway fares might be adjusted upwards shortly after the rail merger. In this connection, the Administration was requested to confirm in writing the earliest date on which railway fares could be adjusted upwards in accordance with the proposed fare adjustment formula;
- (c) as KCRC would cease to have any railway operating function after the rail merger, members queried whether KCRC's residual administrative, accounting and treasury work could be absorbed by other Government departments, thereby saving the need for allocating additional resources to sustain the continued operation of the corporation and its Managing Board. Members requested the Administration to provide detailed justifications for keeping the corporation and its Managing Board in operation and the related estimates of expenditure, including the honorarium for Board members;
- (d) to consider introducing legislative provisions to provide for a mechanism for recognizing trade unions in conducting collective bargaining and handling appeals arising from the rail merger;
- (e) to clearly delineate the role of Government officials sitting on the Board of the post-merger corporation and set out how Government could balance the conflicting interests of the general public and the corporation, namely the public interest to request for the provision of a reliable, safe, and high quality railway service at low fare vis-à-vis the commercial interest of the corporation to maximize its profit; and

- (f) to address members' concerns raised at previous meetings and include the relevant information in a consolidated written response before the bill to implement the proposed rail merger was introduced into the Legislative Council.

Council Business Division 1

Legislative Council Secretariat

1 June 2006